

LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for August 2, 2006 PLANNING COMMISSION MEETING

PROJECT#: Comprehensive Plan Conformance #06008

PROPOSAL: Review the N 56th and Arbor Road Redevelopment Plan to determine conformity with the *Lincoln and Lancaster County 2025 Comprehensive Plan*.

CONCLUSION: The proposed redevelopment plan is in conformance with the Comprehensive Plan.

<u>RECOMMENDATION:</u>	Find that Redevelopment Plan is in conformance with the Comprehensive Plan. The final boundaries of the Plan area may be amended to exclude the future urban residential area at time of City Council action, depending on action of Lincoln Public School Board and City Council direction.
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GENERAL INFORMATION:

LOCATION: An area generally bounded by N. 40th Street on the west, N. 70th Street on the east, from Bluff Road south to the Salt Creek, excluding the Bluff Road landfill.

PURPOSE: Nebraska Community Development Law, NEB REV STAT § 18-2112 requires the Planning Commission to review a redevelopment plan as to its conformity with the Comprehensive Plan. A recommendation of the Planning Commission is required to be provided to the City Council.

EXISTING ZONING:

AG	Agricultural District
I-1	Industrial District
H-1	Interstate Commercial District
H-3	Highway Commercial District
H-4	General Commercial District

EXISTING LAND USE: Mix of commercial uses and a few single family residential uses, with majority of land shown as vacant.

ASSOCIATED APPLICATIONS: Comprehensive Plan Amendment #06001

HISTORY: As required by the Nebraska Community Redevelopment Act, the City commissioned a Blight and Substandard Determination Study which was approved by the

City Council on October 24, 2005.

COMPREHENSIVE PLAN SPECIFICATIONS:

“Maximize the community’s present infrastructure investment by planning for residential and commercial development in areas with available capacity.” (P. F17)

“Preserve and enhance entryway corridors into Lincoln and Capitol View Corridors.” (P. F19)

“Guiding Principles for Existing Commercial Centers:

Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented.

Maintain and encourage retail establishments and businesses that are convenient to, and serve, neighborhood residents, yet are compatible with, but not intrusive upon residential neighborhoods.

Expansion of existing commercial and industrial uses should not encroach on existing neighborhoods and must be screened from residential areas.

Encourage mixed use commercial centers, including residential uses on upper floors and at the rear of commercial buildings.

Encourage efforts to find new uses for abandoned, under utilized or “brownfield” sites that are contaminated.” (P. F49)

“Public property, especially publically owned historic property, is a community trust and should be maintained, preserved, and utilized in an exemplary fashion. Most historic property is and should be privately maintained.” (P. F 141)

ANALYSIS:

1. This is a request to review the N 56th and Arbor Road Redevelopment Plan for a determination of conformity with the Lincoln and Lancaster County 2025 Comprehensive Plan. This area includes nearly 3 linear miles of land that is adjacent to Interstate 80 which is an entryway into Lincoln and acts as a front door, introducing visitors and residents to Lincoln. It also includes a View Corridor to the Capitol from the 56th & I-80 area.

2. This area includes a significant portion of the City's inventory of future industrial land and has convenient access to Highway 77 and the Interstate. The main purpose of the Redevelopment Plan is to bring infrastructure to the vacant land in this area for purposes of spurring economic development in the area.
3. The Plan describes in general terms the guiding principles and general activities for the redevelopment of the N 56th and Arbor Road redevelopment area. Most of the guiding principles for redevelopment are directly quoted from the Comprehensive Plan, including that commercial and industrial districts should be within the Lincoln city limits or incorporated communities, outside of saline wetlands, provided with urban services and compatible with residential uses (see page 17 - 18 of the Redevelopment Plan).
4. The N 56th and Arbor Road Blight and Substandard Determination Study determined that there were 11 single family homes and 15 non residential structures in the Blight area. A detailed survey of deteriorating or dilapidated building was not done. The main substandard deficiency in the area was the lack of public infrastructure. In addition there was the presence of 8 blighting factors including faulty lot layout, diversity of ownership and inadequate street layout.
5. The present zoning for the majority of the area is AG Agricultural and 76% of the land is either agricultural or vacant.
6. Interstate 80 functions as the primary east-west arterial for this area with expansion to 6 lanes between Lincoln and Omaha underway. Highway 77 (N. 56th St.) is already improved to 4 lanes, but Arbor Road, N. 40th and N. 70th Street are unimproved. The area currently lacks any internal street connections between N. 56th and N. 70th Streets. A goal of the Redevelopment Plan is to improve internal circulation.
7. Almost all property within the Redevelopment Area lack sidewalks. Pedestrian movements are further restricted by the lack of pedestrian access across the Interstate.
8. Public utilities are a important element of the Redevelopment Plan's targeted improvement activities. Specific details on needed improvements are not typically included in a Redevelopment Plan.
9. The N 56th and Arbor Road Redevelopment Plan anticipates using public and private funding sources, including Tax Increment Financing (TIF) from private development in the project area to pay for public infrastructure and improvements such as utilities, streets, and pedestrian facilities.

10. Commercial and industrial projects are identified in the Redevelopment Plan on pages 21 through 24. Over time additional activities may be added. The following projects are specifically identified as activities in the Redevelopment Plan:
 - 10.1. Support commercial development on the northwest corner of N 56th and I-80.
 - 10.2. Support commercial development on the west side of N 56th and south of Arbor Road.
 - 10.3. Support industrial development on the west side of N 56th and south of Arbor Road.
 - 10.4. Support industrial development on the west side of N 56th and south of Arbor Road.
11. The Comprehensive Plan recommends that redevelopment projects be reviewed by the City of Lincoln Urban Design Committee. The Committee is charged with advising the Mayor, City Council, Planning Commission, city boards, and city departments on the design of city buildings and other public projects, major public/private developments, and any private projects constructed on city right of way or other city property (page F 129, Comprehensive Plan).
12. The County Engineer notes (see attached memo dated July 18, 2006) that specific road improvements are not identified in the Redevelopment Plan at this time. The Health Department notes that residential uses are designated in the Plan adjacent to commercial and industrial uses. (See attached memo from Health.) This was also noted in the staff report for Comprehensive Plan Amendment #06001 and that this issue is best addressed by having the industrial uses in a use permit district which could provide for an adequate separation and/or transition of uses between incompatible uses.
13. The N. 56th and Arbor Road Redevelopment Plan is different from previous redevelopment plans in that it includes a future suburban residential development within the boundaries. Previous redevelopment plans only included commercial or industrial land in newly developing areas. Residential development has been a part of redevelopment plans in older existing neighborhoods.
14. Lincoln Public Schools (LPS) previously stated a concern about the inclusion of new residential development in suburban areas being included potentially in a redevelopment plan for TIF purposes. (See attached LPS letter dated October 21, 2005) In general, the concern of LPS was that property tax revenue generated by the new residences would be used for utilities and other improvements, rather than being used by LPS to provide school services and facilities to the residents.

15. In the letter sent to the City Council prior to the declaration of blighted area, the LPS letter to Mayor Seng stated that LPS “understand it is the City’s intention that this blight determination not result in drawing TIF from residential development.” At the City Council hearing on the blighted designation, staff reiterated that it was the intention of the City to not include the residential development in a further TIF district.
16. The City of Lincoln has requested that LPS reconsider their position. It is the preference of the developers west of 56th Street that a portion of the property tax revenue from the future Northbank Junction residential subdivision be used to finance water and sanitary sewer improvements to serve the potential commercial and industrial development north of I80 and west of 56th Street.
17. As of the writing of this report, the School Board has not changed the previously stated position of LPS. However, this matter has been taken under advisement.
18. City staff is also preparing a policy statement on the use of TIF financing in suburban development area such as this. The policy statement proposes that TIF funds for internal site improvements, reimbursement of impact fees and other subsidies to individual properties in suburban areas be directed to “**primary**” employers and not to local serving businesses or residential development. This policy statement is expected to be submitted to the City Council at about the same time as this redevelopment plan, a proposed redevelopment plan agreement and the Northbank Junction annexation and change of zone are scheduled with the City Council.

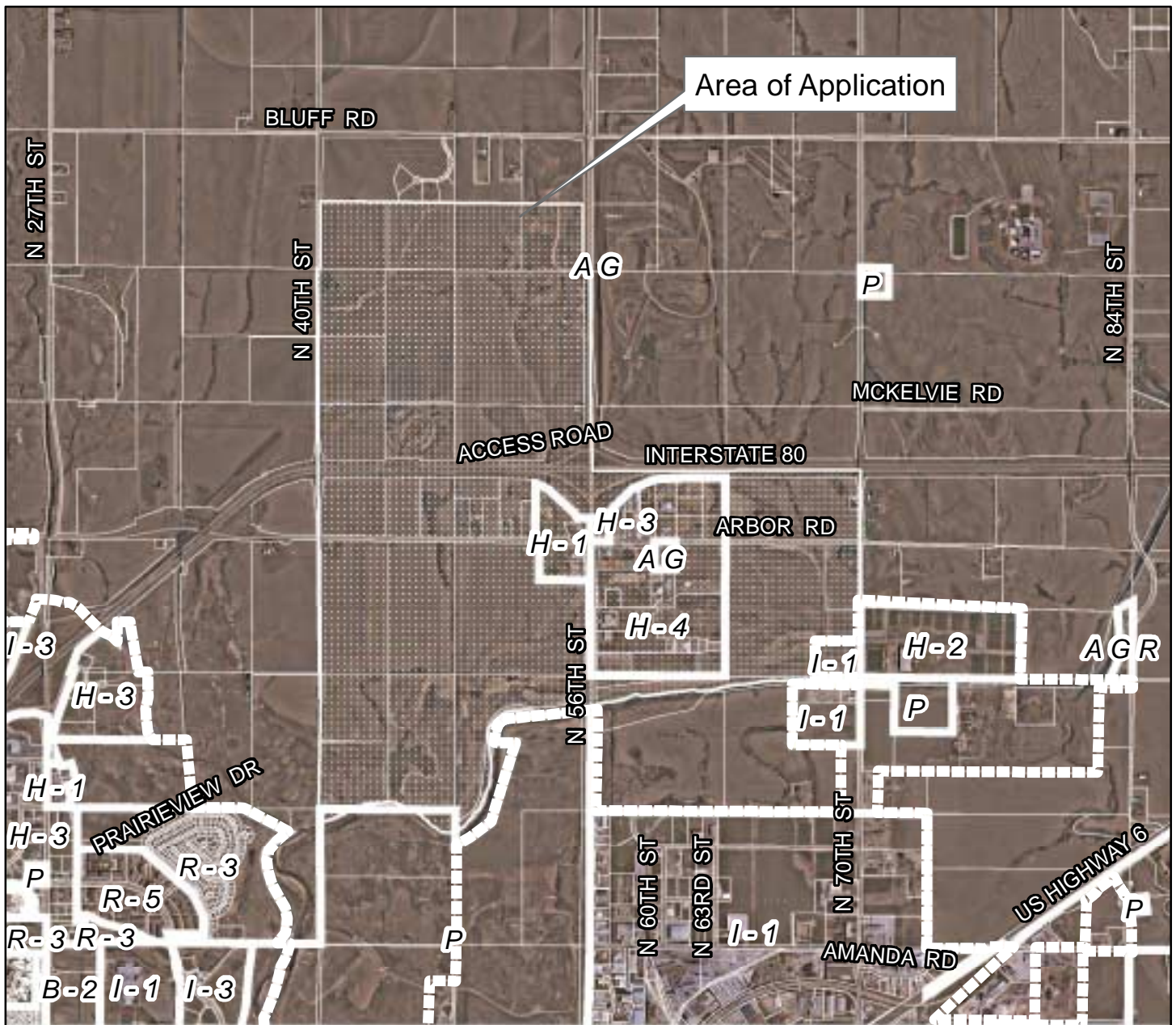
Prepared by:

Stephen Henrichsen, AICP shenrichsen@lincoln.ne.gov
Planning Department, (402) 441-6374

Date: July 19, 2006

APPLICANT: Marc Wullschleger, Director
Urban Development Department
129 N. 10th Street
Lincoln, NE 68508

CONTACT: Wynn Hjermstad
Urban Development Department
129 N. 10th Street
Lincoln, NE 68508
(402) 441-8211



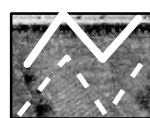
2005 aerial

Comp Plan Conformance #06008 N. 56th & Arbor Rd.

Zoning:

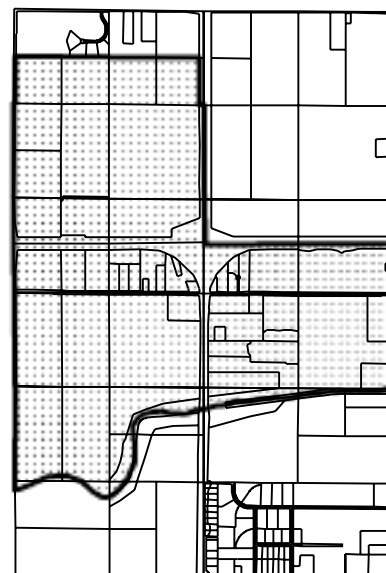
R-1 to R-8	Residential District
AG	Agricultural District
AGR	Agricultural Residential District
R-C	Residential Conservation District
O-1	Office District
O-2	Suburban Office District
O-3	Office Park District
R-T	Residential Transition District
B-1	Local Business District
B-2	Planned Neighborhood Business District
B-3	Commercial District
B-4	Lincoln Center Business District
B-5	Planned Regional Business District
H-1	Interstate Commercial District
H-2	Highway Business District
H-3	Highway Commercial District
H-4	General Commercial District
I-1	Industrial District
I-2	Industrial Park District
I-3	Employment Center District
P	Public Use District

Six Square Miles
Sec. 20 T11N R7E
Sec. 21 T11N R7E
Sec. 28 T11N R7E
Sec. 29 T11N R7E
Sec. 32 T11N R7E
Sec. 33 T11N R7E



Zoning Jurisdiction Lines

City Limit Jurisdiction



**CITY OF LINCOLN
NEBRASKA****MAYOR COLEEN J. SENG**

lincoln.ne.gov

Urban Development Department
Marc Wulischleger, Director
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808 "P" Street
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Lincoln, Nebraska 68508
402-441-7606
fax: 402-441-8711

July 13, 2006

Marvin Krout, Director
City of Lincoln-Lancaster County Planning Department
555 S. 10th
Lincoln, NE 68508

Dear Marvin:

Enclosed is the North 56th and Arbor Road Redevelopment Plan. The Plan was completed in June by the Urban Development Department following City Council designation of the area as Blighted and Substandard in October, 2005.

Please forward the Plan to the Planning Commission for their earliest consideration. My understanding is that the Plan should be on the August 2, 2006 agenda.

If you have questions or need additional information, please contact Troy Gagner at 441-7606 or by e-mail: tgagner@lincoln.ne.gov or feel free to also contact me: 441-7606; whjermstad@lincoln.ne.gov. Thank you.

Sincerely,

Wynn S. Hjermstad, AICP
Community Development Manager

cc: Marc Wulischleger, Urban Development
Troy Gagner, Urban Development
Darl Naumann, Mayor's Office

Lancaster

County

Engineering

Department

DON R. THOMAS - COUNTY ENGINEER

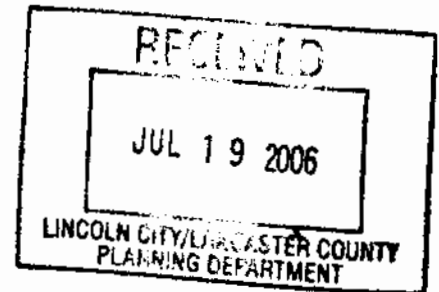
DEPUTY- LARRY V. WORRELL
COUNTY SURVEYOR

DATE: July 18, 2006

TO: Steve Henrichsen
Planning Department

FROM: Don Thomas *Don Thomas*
County Engineer

SUBJECT: NORTH 56TH STREET & ARBOR ROAD
REDEVELOPMENT PLAN



This office has reviewed subject plan and would offer the following comments:

- 1) On page 10, under Roads and Streets, the project that will take Arbor Road over the Interstate is discussed. This project is complete.
- 2) Table 2 on page 28 shows an estimated expenditure of \$12,000,000 for Infrastructure improvements. There is no discussion on the details of the improvements planned. On page 19, public street improvements are discussed but without detail on what streets are being improved and to what level.

DRT/DP/pb

Phyllis/DP/N56th St & Arbor Rd Redevelopment Plan

**LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT
INTER-OFFICE COMMUNICATION**

TO: Steve Henrichsen	DATE: July 18, 2006
DEPARTMENT: Planning	FROM: Chris Schroeder
ATTENTION:	DEPARTMENT: Health
CARBONS TO: EH File EH Administration	SUBJECT: North 56 th Street & Arbor Road Redevelopment Plan

The Lincoln-Lancaster County Health Department (LLCHD) has reviewed the proposed redevelopment plan with the following noted:

- The LLCHD advises that noise pollution can be an issue when locating commercial uses adjacent to residential zoning.
- Lincoln Municipal Code (LMC) 8.24 Noise Control Ordinance does address noise pollution by regulating source sound levels based upon the receiving land-use category or zoning. However, the LLCHD does have case history involving residential uses and abutting commercial uses in which the commercial source does comply with LMC 8.24, but the residential receptors still perceive the noise pollution as a nuisance. The LLCHD strongly advises the applicant to become familiar with LMC 8.24. The LLCHD advises against locating loading docks, trash compactors, etc. adjacent to residential zoning. Therefore, creative site design should be utilized to locate potential sources of noise pollution as far as possible from residential zoning.



Lincoln Public Schools

5901 O Street • Lincoln, NE 68510 • (402) 436-1636 • (Fax) 436-1682

October 21, 2005

The Honorable Coleen Seng
Mayor City Of Lincoln
555 South 10th Street
Lincoln, NE 68526

RECEIVED
OCT 22 2005
CITY COUNCIL
OFFICE

Dear Mayor Seng:

Subject: Declaring the North 56th Street and Arbor Road Redevelopment Area as Blighted

Lincoln Public Schools always monitors uses of TIF within the School District and surrounding territory and understands well the mutual benefit of appropriate application of this tool in Downtown and other areas. Our concerns about the North 56th Street area blight determination were first raised by the study including substantial areas on which residential development is already planned. Those concerns, among others, were further heightened by testimony at the Planning Commission hearing by Mr. Naumann and Mr. Caruso about the need to draw the "increment" from large areas and especially Mr. Hunzeker's specific mention of "substantial" residential components to future redevelopment plans associated with this blight study.

Dr. Gourley's conversation with you and Darl Naumann was very reassuring as we learned that the City Administration understands the concerns of Lincoln Public Schools regarding possible use of tax increment financing (TIF) for residential developments. We understand it is the City's intention that this blight determination not result in drawing TIF from residential development. We are aware, from Downtown redevelopments, how long blight determinations can remain in effect and know that current elected officials and boards cannot bind the actions of future boards and councils. Therefore we urge that the Administration offer and the City Council adopt an amended blight determination excluding those areas planned for residential development, to make this action clearly reflective of the City's intentions for prudent use of this important redevelopment tool.

Your consideration of this request is appreciated. If I can provide you with further information or clarification, please contact me.

Sincerely

Dennis A. Van Horn
Associate Superintendent
for Business Affairs

c: Board of Education
Dr. Gourley
City Council
Marvin Krout
Jim Gessford